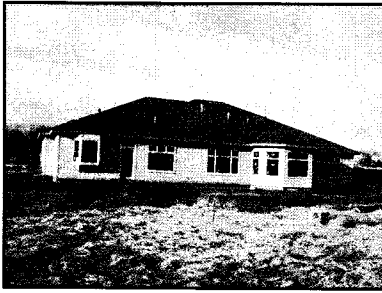
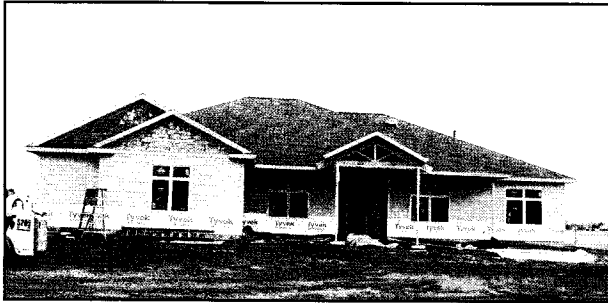


CASE STUDY EXAMPLE

STATE AND LOCAL GOVERNMENT ROAD BLOCKS TO AFFORDABLE HOUSING

Presented By:
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Real Estate Experience:
Real Estate Industry/35Years
Fiscus Realty/Broker/Owner/32Years
Home Builder/32Years
Property Manager, Landlord 33Years

Single Case Study In Yellowstone County



Illustrated how New Home Construction benefits economic growth and how State & Local taxes, fees and regulation effect affordable housing.

The home illustrated produced \$400,000 in economic growth with good paying jobs and approximately \$4,000 a year in new property taxes for schools and local government. Turn key operation.

Below is a list of factors that negatively effect the cost of a home. Also the comparison illustrates the difference in cost building City vs. County.

<u>Government</u>		<u>CITY</u>		<u>COUNTY</u>	
Description	Yes/No	Approx. Cost	Yes/No	Approx. Cost	
System Dev. Fee Water	Yes	\$3,300 & Up	No	None	
* Impact Fees	Yes	\$5,000 and up	No	None	
Building Permit	Yes	\$1,000 & Up	No	None	
Soil Test	Yes	\$2,200	No	None	
Park Dedication	Yes	11% x Cost of Land	Yes	None	
Bike Trails	Yes	\$2,600	No	None	
Water Use Fee	Yes	\$600 Annual	No	None	
Subdivision SID per lot	Yes	\$26,000 s/c & g/w/s	Yes	\$10,000	
Sidewalks	Yes	\$2,400	No	None	
** Property Taxes	Yes	\$500 (or 100 mills)	Yes	\$500 less (100 mills)	
Subdivision Approval Cost		Much Higher		Much Lower	
Large Lot Size		3,000-9600 Sq. Ft.		One Acre & Up	

Total Difference

Today choosing to build in the County is much more favorable for work force housing. The net difference approximately \$30,000.

* **Impact Fees** have not been assessed in Billings.

** **Property Taxes** City taxes are approximately \$500 more annual cost than in the County.

The cost analysis City vs. County was gathered from reliable sources.

In Summary:

Factors that have a negative effect on affordable housing.

Impact Fees

System Development Fees For Water

Building Permit Fees

Tax Increment Finance Districts (Revenue Shift)

Parkland Or Cash in Lieu of Land

Bicycle Trails

Property Taxes (53% Billings Tax Hikes)

Assessment Fees

Soil Testing

Growth Policies that are not market driven

Subdivision SIDS

Sidewalks Requirements

Multi-family lack of financing

These factors are killing the goose that lays the Golden Egg.

Be mindful of all the economic benefits, jobs, income taxes, property taxes that flow into the State and Local Government, and the small business that are created and supported. We don't need road blocks.

Also the interest rates are historically low and financing programs have never been better for owner occupied. Financing is not a problem for homeownership.

Last Statement

Most, if not all the road blocks to affordable home ownership and rental property have taken place over the last thirty years by the State and Local Government.

The bright star has been low interest rates and fantastic loan down payment assistance programs.

However this cannot be said for rental units which will soon become a nightmare in the large cities where they are most needed. Financing is tough.

Elimination of the road blocks is the answer. Dramatic example the elimination of parkland donations.

Criticism of this publication will not prevail over the evidence if there is honest debate.

Thanks,

Clayton Fiscus